

# HOUSE BILL 1008

R7

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By: **Delegate Frush**

Introduced and read first time: February 10, 2012

Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Automotive Dismantlers and Recyclers or Scrap Processors –**  
3 **Disposal of Vehicles**

4 FOR the purpose of establishing an exception to the prohibition against storing certain  
5 vehicles on private property; repealing certain provisions of law that authorize  
6 certain persons to transfer certain inoperable vehicles to an automotive  
7 dismantler and recycler or scrap processor without providing a certificate of title  
8 or fulfilling certain notice requirements; repealing a provision of law that  
9 authorizes an automotive dismantler and recycler or scrap processor to require  
10 certain vehicle transferors to execute a certain indemnity agreement; repealing  
11 a requirement that an automotive dismantler and recycler or scrap processor  
12 possess certain vehicles for a certain period of time before taking certain action;  
13 repealing certain provisions authorizing certain persons to transfer certain  
14 vehicles under certain circumstances; requiring an automotive dismantler and  
15 recycler or scrap processor that takes possession of a vehicle absent an  
16 ownership document to provide certain electronic notice to the Motor Vehicle  
17 Administration and the Department of State Police in a certain manner;  
18 requiring the Department of State Police to perform a stolen vehicle  
19 investigation under certain circumstances, provide certain notice of the result of  
20 the investigation, and take possession of any vehicle found to be stolen;  
21 requiring an automotive dismantler and recycler or scrap processor to give  
22 certain notice of intent to dispose of certain vehicles after receiving certain  
23 notice from the Department of State Police; establishing certain administrative  
24 penalties for certain possession of a stolen vehicle by an automotive dismantler  
25 and recycler or scrap processor; and generally relating to the disposal of vehicles  
26 by automotive dismantlers and recyclers or scrap processors.

27 BY repealing and reenacting, without amendments,  
28 Article – Transportation  
29 Section 15–502(c) and 25–209  
30 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2009 Replacement Volume and 2011 Supplement)

2 BY repealing and reenacting, with amendments,  
3 Article – Transportation  
4 Section 15–502(d), 15–509, and 15–514  
5 Annotated Code of Maryland  
6 (2009 Replacement Volume and 2011 Supplement)

7 BY repealing  
8 Article – Transportation  
9 Section 25–210  
10 Annotated Code of Maryland  
11 (2009 Replacement Volume and 2011 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article – Transportation**

15 15–502.

16 (c) A person may not store on any private property for more than 30 days  
17 any vehicle that is to be dismantled, destroyed, or scrapped, unless the person is an  
18 automotive dismantler and recycler or a scrap processor licensed under this subtitle.

19 (d) This section does not prohibit [an]:

20 (1) AN unlicensed person from transporting a vehicle to a licensed  
21 automotive dismantler and recycler or a licensed scrap processor for dismantling,  
22 destroying, or scrapping; OR

23 (2) A PERSON WHOSE LICENSE HAS BEEN SUSPENDED FROM  
24 STORING A VEHICLE THAT IS TO BE DISMANTLED, DESTROYED, OR SCRAPPED IF  
25 THE VEHICLE WAS STORED BEFORE THE PERIOD OF LICENSE SUSPENSION.

26 15–509.

27 (a) [This section does not apply to any abandoned vehicle that is 8 years old  
28 or older and is totally inoperable.

29 (b)] If an automotive dismantler and recycler or scrap processor takes  
30 possession of a vehicle and does not receive a certificate of title or other documentary  
31 evidence of ownership acceptable to the Administration, the automotive dismantler  
32 and recycler or scrap processor shall comply with this section.

1           **[(c)] (B) (1)** After [the vehicle has been in the possession of the] AN  
2 automotive dismantler and recycler or scrap processor [for more than 30 days] **TAKES**  
3 **POSSESSION OF A VEHICLE ABSENT AN ACCEPTABLE OWNERSHIP DOCUMENT,**  
4 the automotive dismantler and recycler or scrap processor shall **NOTIFY THE**  
5 **ADMINISTRATION AND THE DEPARTMENT OF STATE POLICE ELECTRONICALLY**  
6 **IN A MANNER PRESCRIBED BY THE ADMINISTRATION.**

7           **(2) (I) AFTER RECEIVING NOTICE OF POSSESSION OF A**  
8 **VEHICLE UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DEPARTMENT OF**  
9 **STATE POLICE SHALL PERFORM A STOLEN VEHICLE INVESTIGATION FOR THE**  
10 **VEHICLE.**

11                           **(II) THE DEPARTMENT OF STATE POLICE :**

12                           **1. SHALL NOTIFY THE LICENSEE OF THE RESULTS**  
13 **OF THE STOLEN VEHICLE INVESTIGATION AS SOON AS FEASIBLE; AND**

14                           **2. SHALL TAKE POSSESSION OF ANY VEHICLE**  
15 **DETERMINED TO BE STOLEN.**

16           **(3) (I) AFTER RECEIVING NOTICE FROM THE DEPARTMENT OF**  
17 **STATE POLICE THAT THE VEHICLE IS NOT STOLEN, THE AUTOMOTIVE**  
18 **DISMANTLER AND RECYCLER OR SCRAP PROCESSOR SHALL** give at least 10 days'  
19 notice of intent to dispose of the vehicle.

20                           **(II) The notice shall be sent by certified mail, return receipt**  
21 **requested, bearing a postmark from the United States Postal Service, to:**

22                           **[(1)] 1.** The owner of the vehicle and any secured party, as  
23 shown on the records of the Administration; or

24                           **[(2)] 2.** Any other person who is entitled to possession of the  
25 vehicle and whose address is known or reasonably can be obtained.

26           **[(d)] (C) (1)** The automotive dismantler and recycler or scrap processor  
27 takes unencumbered title to the vehicle, without having to obtain a certificate of title  
28 for it in his own name, if:

29                           **(i)** He has complied with this section; and

30                           **(ii)** Except as provided in paragraph (2) of this subsection, the  
31 vehicle has not been recovered or reclaimed, before the end of the 10-day period  
32 specified in the notice, by the owner, secured party, or other person entitled to its  
33 possession.

1           (2) If the address of the owner, secured party, or other person entitled  
2 to possession of the vehicle cannot be obtained from the records of the Administration  
3 or by the exercise of reasonable diligence, the automotive dismantler and recycler or  
4 scrap processor takes unencumbered title to the vehicle, without having to obtain a  
5 certificate of title in his own name, after the vehicle has been in his possession for 30  
6 days.

7           **[(e)] (D)** If an automotive dismantler and recycler or scrap processor takes  
8 title to a vehicle under this section, the automotive dismantler and recycler or scrap  
9 processor shall certify this fact to the Administration. The certification shall be made  
10 in the form that the Administration requires and sent to the Administration within 5  
11 days after the automotive dismantler and recycler or scrap processor takes title.

12 15-514.

13           (a) In addition to the other grounds specified in Subtitle 1 of this title for  
14 refusal, suspension, or revocation of a license, the Administration may refuse to grant  
15 a license under this subtitle to any person and may suspend, revoke, or refuse to  
16 renew the license of any person if it finds that the person has violated any applicable  
17 rule or regulation of the Department of Health and Mental Hygiene.

18           **(b) IF A STOLEN VEHICLE THAT WAS NOT REPORTED TO THE**  
19 **DEPARTMENT OF STATE POLICE UNDER § 15-509(B) OF THIS SUBTITLE IS**  
20 **FOUND ON THE PROPERTY OF THE LICENSEE, THE ADMINISTRATION MAY**  
21 **IMPOSE THE FOLLOWING PENALTIES ON A LICENSED AUTOMOTIVE DISMANTLER**  
22 **AND RECYCLER OR SCRAP PROCESSOR:**

23                   **(1) FOR A FIRST OFFENSE, A LICENSE SUSPENSION OF 5 DAYS;**

24                   **(2) FOR A SECOND OFFENSE, A LICENSE SUSPENSION OF 30 DAYS;**  
25 **AND**

26                   **(3) FOR A THIRD OR SUBSEQUENT OFFENSE, LICENSE**  
27 **REVOCAION.**

28           **(C)** As to any person licensed under this subtitle, instead of or in addition to  
29 revocation, suspension, or refusal to renew a license under this section, the  
30 Administration may order the licensee to pay a fine not exceeding \$1,000 for each  
31 violation of this subtitle.

32 25-209.

33           (a) Any person who possesses or on whose property is found an abandoned  
34 vehicle and any person who owns a vehicle, for which the certificate of title is  
35 defective, lost, or destroyed, may apply to the police department of the jurisdiction in

1 which the vehicle is located for authority to transfer the vehicle to an automotive  
2 dismantler and recycler or scrap processor.

3 (b) The application shall include:

4 (1) The name and address of the applicant;

5 (2) The year, make, model, and vehicle identification number of the  
6 vehicle, if ascertainable, and any other identifying features of the vehicle;

7 (3) A concise statement of the facts about the abandonment of the  
8 vehicle or the loss, destruction, or defect of the certificate of title of the vehicle; and

9 (4) An affidavit stating that the facts alleged in the application are  
10 true and that no material fact has been withheld.

11 (c) If a police department finds that the application is executed in proper  
12 form and shows either that the vehicle has been abandoned on the property of the  
13 applicant or, if the vehicle is not abandoned, that the applicant appears to be the  
14 rightful owner, the police department shall follow the notification procedures of  
15 §§ 25–204 and 25–205 of this subtitle.

16 (c–1) If the applicant submits with the application documentary proof that the  
17 notification procedures of §§ 25–204 and 25–205 of this subtitle already have been  
18 complied with, the police department may accept the document as proof of compliance  
19 and the department is not required to provide this notification.

20 (d) (1) If an abandoned vehicle is not reclaimed in the time required by  
21 this subtitle, the police department shall give the applicant a certificate of authority to  
22 transfer the vehicle to:

23 (i) Any automotive dismantler and recycler for:

24 1. Dismantling, destroying, or scrapping; or

25 2. Salvaging as authorized under § 13–506 of this  
26 article; or

27 (ii) Any scrap processor for dismantling, destroying, or  
28 scrapping.

29 (2) The automotive dismantler and recycler or scrap processor shall  
30 accept the certificate of authority instead of the certificate of title of the vehicle.

31 (3) The automotive dismantler and recycler may apply for a salvage  
32 certificate as provided in § 13–506 of this article.

1 [25–210.

2 (a) The following persons may transfer a vehicle under this section:

3 (1) Any person who possesses or on whose property any abandoned  
4 vehicle is found;

5 (2) Any person who owns a vehicle for which the certificate of title is  
6 defective, lost, or destroyed; or

7 (3) Any agent designated and authorized by a government agency to  
8 remove an abandoned vehicle from public or private property.

9 (b) Notwithstanding any other provision of this subtitle, if the vehicle is  
10 more than 8 years old and has no engine or otherwise is totally inoperable, any person  
11 described in subsection (a) of this section may transfer the vehicle to an automotive  
12 dismantler and recycler or scrap processor without a certificate of title and without  
13 following the notification procedures of §§ 25–204 and 25–205 of this subtitle.

14 (c) An automotive dismantler and recycler or scrap processor may require a  
15 person who transfers a vehicle under subsection (b) of this section, to execute an  
16 indemnity agreement on a form prescribed by the Administration.

17 (d) In those cases described in subsection (b) of this section, an automotive  
18 dismantler and recycler or a scrap processor whose plant is physically located and  
19 operating in this State may file with the Administration the indemnity agreement  
20 described in subsection (c) of this section that identifies the vehicle and contains the  
21 name, address, and signature of the person delivering it.]

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 October 1, 2012.